CONSTITUTIONAL LAW—INTERSTATE COMMERCE—USE OF AUTOMATIC COUPLERS—POLICE POWER.—An Ohio law makes it unlawful for a common carrier engaged in business within the state to use cars not equipped with automatic couplers. (Sec. 3365—27 b. Rev. Statutes of Ohio.) *Held,* a valid and reasonable exercise of police power, and not a direct regulation of interstate commerce. *Detroit T. and I. Ry. Co.* v. *State* (1910), — Ohio —, 91 N. E. 869.

The contention of the railroad company is that since the cars in question were commonly carrying interstate commerce and were at the time of complaint a part of a train most of the cars of which were carrying interstate commerce, they were instruments of interstate commerce and exclusively under Federal control. Of course it is settled law that direct regulation of interstate commerce by a state is repugnant to the Constitution. *Atlantic Coast Line* v. *Wharton,* 207 U. S. 328. But laws passed in pursuance of the acknowledged power of the State having indirect effect upon interstate commerce are valid and enforceable in these merely incidental matters; and the state's control is not withdrawn, until action on the part of the United States comes into actual conflict with the state regulations at which time the United States regulations prevail. *Gibbons* v. *Ogden,* 9 Wheat. 1, 194; *Reid* v. *Colorado,* 187 U. S. 137; *Missouri Pacific Ry. Co.* v. *Larabee Flour Mills Co.,* 211 U. S. 612. This is done under the police power of the state, as a few examples will point out. It is a misdemeanor to transport cattle into Kansas without inspection. *Asbell* v. *Kansas,* 209 U. S. 251. Regulating speed of trains within corporate limits and the stops thereof at certain places may be valid police legislation. *The Chicago and Alton Ry. Co.* v. *Carlinville,* 200 Ill. 314; *Cleveland, etc. Ry. Co.* v. *Illinois,* 177 U. S. 514. So, also, forbidding freight trains to be run on Sunday, and requiring "full crews" are valid police regulation. *Hennington* v. *Georgia,* 163 U. S. 299; *Seale* v. *State,* 126 Ga. 644; *State* v. *Southern Ry. Co.,* 119 N. C. 814; *Pittsburgh, C. C. & St. L. Ry. Co.* v. *Indiana,* 172 Ind. 147. However, the states cannot regulate foreign and interstate commerce under the guise of inspection. *Patapsco Guano Co.* v. *North Carolina,* 171 U. S. 345. The principal case holds that though it may indirectly interfere with interstate commerce, the cars used usually in such commerce, are nevertheless under state control when they dip into intrastate commerce. This must be allowed in order to enforce the proper relation between Congress and the states. *Missouri Pacific Ry. Co.* v. *Larabee Flour Mills Co.,* 211 U. S. 612.

CORPORATIONS—MONOPOLIES—COLLATERAL CONTRACTS—DEFENSES. — A foreign corporation, having complied with the laws of Michigan, so as to enable it to do business within the state, sued certain of its agents to recover the purchase price of goods sold and delivered to such agents by the corporation. The agents attempted to defeat recovery by proof that plaintiff was a "trust" organized to create a monopoly in the manufacture and sale of harvesting and farm machinery in violation of Public Acts 1899, No. 255 and Public Acts, 1905, No. 329. *Held,* that the defense claimed is not available to, and cannot be maintained by the defendants. *International Harvester*

Co. of America v. *Eaton Circuit Judge* (1910), — Mich. —, 127 N. W. 695.

Although there are apparent conflicts in the decisions involving the legal status of corporations which do business in violation of Anti-Trust Laws, the variance is due usually to differences in the statutes and to the varying nature of the contracts upon which the action is instituted. The view expressed in the principal case is undoubtedly correct and is sustained by the following decisions. *Connolly* v. *Union Sewer Pipe Co.*, 184 U. S. 540; *Chicago Wall Paper Mills* v. *General Paper Co.*, 147 Fed. 491; *The Charles E. Wisewall*, 74 Fed. 802; *Chicago Milk Shippers' Assn.* v. *Ford*, 46 Ill. App. 576; *Bishop* v. *Am. Preservers' Co.*, 51 Ill. App. 417. The uniform doctrine presented by these decisions is that a contract for the sale of goods, wares and merchandise is not rendered void and unenforceable by the fact that the selling corporation is a "trust" or monopoly organized in violation of law, either federal or state; the contract of sale being collateral and having no direct relation to the unlawful combination. The question of the lawful existence of a corporation cannot be raised in a collateral proceeding, by a private party; the sovereign alone can object, in a direct proceeding for that purpose. In some states the statute expressly provides that the violation of Anti-Trust Laws by a corporation may be pleaded as a defense in an action on contract instituted by the corporation. *Nat. Lead Co.* v. *Grote Paint Store Co.*, 80 Mo. App. 247; *Wagner* v. *Minnie Harvester Co.* (1910), — Okla. —, 106 Pac. 969. In such cases the defense is conclusive. It has been decided, also, that in case the contract sued on by the corporation is in direct furtherance of the illegal purpose of the corporation and an essential part of the illegal scheme, such contracts are void and unenforceable. *Continental Wall Paper Co.* v. *Voight*, 148 Fed. 939, 78 C. C. A. 567; Affirmed, 212 U. S. 227.

DAMAGES—BREACH OF CONTRACT—MEASURE OF DAMAGES.—Plaintiff, a lumber company, entered into a contract with defendant company for the purchase of a site for a large lumber manufacturing plant, part of the consideration for the purchase price, was the promise of the defendant to furnish to the plant certain track connections with lines of railroad. *Held*, the difference between the value of the plant as constructed with and without such connections may fairly be taken as the measure of damages for breach of such contract. *South Memphis Land Co.* v. *McLean Hardwood Lumber Co.* (1910), — C. C. A., 6th Cir. —, 179 Fed. 417.

Specifically stated the rule of contract is laid down that the plaintiff should recover such damages as may be fairly and reasonably considered either arising naturally, *i. e.* according to the usual course of things, from such breach of contract itself, or such as may reasonably be supposed to have been in the contemplation of both parties at the time they made the contract, as the probable result of the breach. *Hadley* v. *Baxendale*, 9 Exch. 341. If the action is not premature, the rule is applicable that the plaintiff is entitled to compensation based as far as possible on the ascertainment of what he would have suffered by the continued breach of the other party down to the time of complete performance, less any abatement by reason